

Alabama Board of Heating and Air Conditioning Contractors

Functional Analysis & Records Disposition Authority

**Revision
Presented to the
State Records Commission
April 22, 2004**

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Functional and Organizational Analysis of the Alabama Board of Heating and Air Conditioning Contractors

Sources of Information

Representatives of the Alabama Board of Heating and Air Conditioning Contractors
Code of Alabama 1975, Sections 34-31-1 through 34-31-34, and 41-23-82
Code of Alabama 1975, Section 41-20-3 (Sunset Law)
Code of Alabama 1975, Sections 41-22-1 through 41-22-27 (Administrative Procedures Act)
Alabama Administrative Code, Chapters 440-x-1 through 440-x-5
Alabama Government Manual (1998)
Government Records Division, State Agency Files (1985-ongoing)
Holdings of the Department of Archives and History

Historical Context

The state legislature established the board in 1978 to examine and license heating and air conditioning contractors and to supervise the profession and practice of heating and air conditioning contracting. The profession was not regulated prior to the creation of the board. The legislature continued the existence of the Board of Heating and Air Conditioning Contractors following sunset reviews in 1984, 1986, 1988, 1992, and 1996.

Agency Organization

The board has 12 members consisting of six (6) certified heating and air conditioning contractors, one (1) mechanical engineer, one (1) trade representative of equipment manufacturer or supplier, one (1) trade representative of service or repair parts industry, one (1) representative of a county or local inspection services department, and two (2) consumers from the public at large. The members, appointed by the governor (4), the lieutenant governor (3), the speaker of the House of Representatives (4), and the president pro-tempore of the Senate (1), serve four-year staggered terms. The Senate must confirm each appointment to the board. The board, which meets at least quarterly, elects a chairman and a secretary from its members. The board may hire an executive secretary and necessary personnel. An organizational chart is attached.

Agency Function and Subfunctions

The mandated function of the Alabama Board of Heating and Air Conditioning Contractors is to examine and license applicants as heating and air conditioning contractors and to supervise the profession and practices of heating and air condition contracting. The board is one of the agencies primarily involved in carrying out the Regulatory function of Alabama government. In the performance of its mandated function, the board may engage in the following subfunctions:

- **Promulgating Rules and Regulations.** In accordance with the Administrative Procedures Act (Code of Alabama 1975, Section 41-22-3), the board has the authority to prescribe rules and regulations for certification in, and the practice of, heating and air conditioning contracting. The board also develops appropriate procedures or techniques for the implementation of the rules and regulations. This subfunction encompasses activities pertaining to the establishment and promulgation of rules, regulations, and procedures by the board for carrying out its duties and responsibilities. The board is authorized to adopt and publish minimum repair and service standards for its certified contractors (Code of Alabama 1975, Section 34-31-21 [g]).
- **Certifying.** Individuals, partnerships, and/or corporations wishing to perform contract heating and air conditioning installations in the state must be certified by the board. Prior to certification, applicants must take a written exam that tests the knowledge, skill, and proficiency of the applicants in safety, basic heating and air conditioning theory, refrigeration as applied to air conditioning, diagnostic trouble shooting, repair or service of heating and air conditioning systems, air handling, standard mechanical codes, standard gas codes, standard electrical codes, equipment installations, and duct sizing as they relate to heating and air conditioning. At least once every three months, the board gives written examinations, which are created and graded by the national firm of Block and Associates. The board charges a fee for administering the examination. Written notice of the time and place of examination is mailed to everyone who has filed a current application for examination with the board. Any applicant failing to pass the exam may retake the written exam or, upon request by the applicant, an oral or practical examination that is equivalent to the written examination, within six months from the date of the latest unsuccessful examination. Gadsden State Community College creates and administers this examination. Everyone applying to the board must provide a bond. All certification licenses are renewable annually. Effective January 1, 2001, a new law requires that all contractors must earn eight (8) hours of continuing education every two years to maintain their licenses (both active and inactive) in the state. The board may remove certification from anyone who fails to renew certification by March 1 and may require the person to reapply. Anyone certified by the board may elect inactive status by notifying the board. The board publishes annually a list of names of all individuals who are certified by the board.
- **Regulating.** If a complaint is filed with the board against a contractor, the board sends an investigator to follow-up on the complaint. The investigator tries to rectify the situation without any other action being taken. If this is not possible, the board holds a hearing where it may call witnesses, administer oaths, take testimony, obtain evidence in the conduct of its business, and collect administrative fines for serious violations of rules and regulations. The board may remove, revoke, or suspend certification from any certified contractor who provides substandard or dangerous service, repair, or installation. Certified contractors who are found to have performed substandard installation, service,

and repair work must post a \$10,000 bond with the board to insure performance (Code of Alabama 1975, Section 34-31-28 [c]).

- **Administering Internal Operations.** A significant portion of the agency's activities include general administrative, financial, and personnel activities geared toward the internal functioning of the agency. These administrative duties are grouped together under the subfunction Administering Internal Operations. Administering Internal Operations includes the following groups of activities:

Managing the Agency: Activities include internal office management activities common to most government agencies such as corresponding and communicating; scheduling; meeting; documenting policy and procedures; reporting; litigating; drafting, promoting, or tracking legislation; publicizing and providing information; managing records; and managing information systems and technology.

Managing Finances: Activities include budgeting (preparing and reviewing a budget package, submitting the budget package to the state Finance Department; documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; assisting in the audit process; investing; and issuing bonds.

Managing Human Resources: Activities include recruiting and hiring eligible individuals to fill positions within the agency; providing compensation to employees; providing benefits to employees, such as leave, health insurance, unemployment compensation, worker's compensation, injury compensation, retirement, and death benefits; supervising employees by evaluating performance, promoting, granting leave, and monitoring the accumulation of leave; training and providing continuing education for employees; and disciplining.

Managing Properties, Facilities, and Resources: Activities include: inventorying and accounting for non-consumable property and reporting property information to the appropriate authority; constructing buildings and facilities; leasing and/or renting offices or facilities; providing security for property owned by the agency; insuring property; and assigning, inspecting and maintaining agency property, including vehicles.

Analysis of Record Keeping System and Records Appraisal of the Board of Heating and Air Conditioning Contractors

Agency Record Keeping System

The Board of Heating and Air Conditioning Contractors operates a hybrid system composed of a computer system and paper record-keeping.

Paper-based System: The board continues to maintain most of its records in paper form. Currently, no records are stored off-site.

Computer Systems: The board's computer system consists of a Local Area Network connected through one of the computers, which acts as a server running Windows 95. The board utilizes MS Office and performs a daily back-up onto a zip drive. The databases used by the board were created in DOS based DBIII, but are accessible through Access. Currently the Information Services Division (ISD) of the Department of Finance is creating a new database in Access for the board. The information in the databases is also found in the paper records of the board. Two employees have an e-mail address through ISD, and four have Internet access.

The board has a website at: www.hvacboard.state.al.us. Information on the web includes rules and regulations, a list of certified active and inactive contractors, names of board members, names of staff members, telephone numbers, board address, and test dates. The public can also download forms for applications, consumer complaints, and bonding information.

Records Appraisal

The following is a discussion of the two major categories of records created and/or maintained by the Board of Heating and Air Conditioning Contractors: Temporary Records and Permanent Records.

I. Temporary Records. Temporary records should be held for what is considered their active life and be disposed of once all fiscal, legal, and administrative requirements have been met. Some of the temporary records created by the Board of Heating and Air Conditioning Contractors are discussed below.

- **Certified Contractor Files.** When an applicant becomes certified, the board creates a file for the individual. The file is used for reference by the board. After the licensee becomes inactive, the file becomes less useful. If necessary, documentation of someone being certified can be found in the minutes of the board and the licensing certificate/control number file. Because of the administrative needs of the agency, the agency recommends a retention of three (3) years after certification has expired.
- **Returned or Blank Certified Contractor Cards.** After meeting the statutory

requirements for licensing, a wallet-size card is issued to the contractor as evidence of current certification by the board. Each card should be presented to public officials as proof of certification. Cards may be returned because of a change of business /address. All returned cards and pre-numbered blank cards must be kept for audit review before destruction.

- **Examination Files.** The board maintains files of applicants who have taken the exam, but have not been certified. If an applicant is certified, their examination file becomes a certified contractor file and follows that disposition of five (5) years after becoming inactive. Examination files are to be retained until the completion of an audit.
- **Business Information Files.** When an applicant becomes a certified contractor, the board creates a Business Information File for the company with which the individual is employed. This series consists of the original performance bond in the amount of \$10,000, the original Power of Attorney, and other pertinent business information. Information is routinely given to consumers who request bonding information pursuant to a complaint on a contractor for violation of minimum standards. The file is usually used for reference in connection with a complaint. The board recommends a retention of 10 years after the closure of business.
- **Complaint Files.** Complaint files are created after a complaint is made. The board investigates the complaint and decides if it is founded or unfounded (is there probable cause). If the complaint is founded, the licensee is contacted. The board tries to work out a settlement. If the matter is settled to the board's satisfaction, no further action is taken. If no settlement is reached, the board holds a hearing. The documentation of any complaint and its settlement are filed in the complaint files. The board uses these files to ensure that licensees follow the terms of settlements and hearing decisions and to protect the public from repeat offenders. The agency recommends a retention of 10 years after closure of the business.
- **Administrative Hearing Files.** If no settlement is reached during an investigation, the board holds a hearing. The board hears testimony and votes as to what action will be taken. The outcome is documented in the minutes of the board. The agency recommends a retention of 15 years after closure.

II. Permanent Records. The Government Records Division recommends the following records as permanent.

Promulgating Rules and Regulations

- **Minutes of the Board.** The meeting minutes of the board document the decisions and actions of the board including the approval or denial of requests for certification. These records provide important information and documentation of the board's actions that may

not be found elsewhere. (RDA page 3-2) (**Bibliographic Title: Meeting Minutes**)

Certifying

- **Annual Rosters.** Code of Alabama, Section 34-31-31 mandates the board to “publish annually a list of names, and addresses of all individuals and the names of their employer, if applicable, who are certified.” The annual roster also contains updated board rules and regulations. The roster provides easy reference to the staff, as well as to other licensees and the public. (RDA page 3-2) (**Bibliographic Title: Annual Rosters**)
- **Quarterly Newsletters.** In 2001, the board began publishing a quarterly newsletter which serves to communicate with all licensees. Information generally includes new rules, rule changes, certified contractor test dates, complaints highlights, and approved continuing education providers (RDA page 3-2) (**Bibliographic Title: Newsletters**)

Regulating

- Records documenting this subfunction are found in the agency’s minutes of the board as described in the Promulgating Rules and Regulations subfunction above.

Administering Internal Operations

- Records documenting this subfunction are found in the agency’s minutes of the board as described in the Promulgating Rules and Regulations subfunction above

Permanent Records List
Board of Heating and Air Conditioning Contractors

Promulgating Rules and Regulations:

1. Minutes of the Board

Certifying:

1. Annual Rosters
2. Quarterly Newsletters

Board of Heating and Air Conditioning Contractors Records Disposition Authority

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975, Sections 41-13-5 and 41-13-20 through 21. It was compiled by the Government Records Division, Alabama Department of Archives and History (ADAH), which serves as the commission's staff in cooperation with representatives of the Board of Heating and Air Conditioning Contractors. The RDA lists records created and maintained by the Board of Heating and Air Conditioning Contractors in carrying out its mandated functions and activities. It establishes retention periods and disposition instructions for those records and provides the legal authority for the Board of Heating and Air Conditioning Contractors to implement records destruction.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and made available to members of the public. Records must also be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975, Sections 36-12-2, 36-12-4, and 41-5-23). For assistance in implementing this RDA, or for advice on records disposition or other records management concerns, contact the ADAH Government Records Division at (334) 242-4452.

Explanation of Records Requirements

- This RDA supersedes any previous records disposition schedules governing the retention of the Board of Heating and Air Conditioning Contractors records. Copies of superseded schedules are no longer valid and should be discarded.
- The RDA establishes retention and disposition instructions for records listed below, regardless of the medium on which those records may be kept. Electronic mail, for example, is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.
- Some temporary records listed under the Administering Internal Operations subfunction of this RDA represent duplicate copies of records listed for long-term or permanent retention in the RDAs of other agencies.
- Certain records and records-related materials need not be retained as records under the disposition requirements in this RDA. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document government activities; (3) stocks of blank stationery, blank forms, or other surplus materials that are not subject to audit and

have become obsolete; (4) transitory records, which are temporary records created for short-term, internal purposes that may include, *but are not limited to*, telephone call-back messages, drafts of ordinary documents not needed for their evidential value, copies of material sent for information purposes but not needed by the receiving office for future business, and internal communications about social activities. They may be disposed of without documentation of destruction.

Records Disposition Requirements

This section of the RDA is arranged by subfunctions of the Board of Heating and Air Conditioning Contractors and lists the groups of records created and/or maintained by the board as a result of activities and transactions performed in carrying out these subfunctions. The board may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular quarterly meetings.

■ Promulgating Rules and Regulations

MINUTES OF THE BOARD

Disposition: PERMANENT RECORD.

Recordings of Meetings

Disposition: Temporary Record. Retain until the official minutes are adopted and signed.

Register of Administrative Rules

Disposition: Retain in Office (Code of Alabama 1975, Sections 41-22-6).

Administrative Rule Files

Disposition: Temporary Record. Retain for useful life.

■ Certifying

ANNUAL ROSTERS

Disposition: PERMANENT RECORD.

QUARTERLY NEWSLETTERS

Disposition: PERMANENT RECORD.

Certified Contractor Files (Contractor Information Files)

Disposition: Temporary Record. Retain 3 years after certification has expired.

Examination Files

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Examination and Certification Databases

Disposition: Retain until superseded or obsolete.

Returned or Pre-numbered Blank Certified Contractor Cards

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Business Information Files

Disposition: Temporary Record. Retain 10 years after the closure of the business.

■ **Regulating**

Regulatory Databases

Disposition: Retain until superseded or obsolete.

Complaint Files

Disposition: Temporary Record. Retain 10 years after the disposition of the case.

Administrative Hearing Files

Disposition: Temporary Record. Retain 15 years after closure.

■ **Administering Internal Operations**

Managing the Agency:

Board Meeting Notices

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Sunset Committee Review Records

Disposition: Temporary Record. Retain until completion of subsequent sunset review.

Appointment Letters

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the term expired.

Requests for Information

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Routine Correspondence

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Mailing Lists

Disposition: Temporary Record. Retain for useful life.

Administrative Reference Files

Disposition: Temporary Record. Retain for useful life.

Records documenting the implementation of the agency's RDA (copies of transmittals forms to Archives or State Records Center, evidence of obsolete records destroyed, and annual reports to the State Records Commission)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Copy of RDA

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the RDA is superseded.

System Documentation (hardware/software manuals and diskettes, warranties)

Disposition: Temporary Record. Retain documentation of former system 3 years after the end of the fiscal year in which the former hardware and software no longer exists anywhere in the agency and all permanent records have been migrated to a new system.

Managing Finances:

Records documenting the preparation of a budget request package and reporting of the status of funds, requesting amendments of allotments, and reporting program performance

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods, and authorizing payment for products

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records of original entry such as journals, registers, and ledgers; and records of funds deposited outside the state treasury

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting requests for authorization from supervisors to travel on official business and other related materials, such as travel reimbursement forms and itineraries

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting contracts for services or personal property

Disposition: Temporary Record. Retain 6 years after expiration of the contract.

Records documenting the bid process, including requests for proposals and unsuccessful responses

Disposition: Retain in office (Code of Alabama 1975, Sections 41-16-20 to 41-16-24).

Agency Audit Reports

Disposition: Temporary Record. Retain 6 years after end of the fiscal year in which the records were created.

Managing Human Resources:

Job Recruitment Materials

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Application Materials

Disposition: Temporary Record. Retain 1 year.

Position Classification Records

Disposition: Temporary Record. Retain 4 years after reclassification of the position.

Records documenting payroll (e.g. pre-payroll reports, payroll check registers)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting payroll deduction authorizations

Disposition: Temporary Record. Retain 6 years after separation of employee from the agency.

Records documenting payroll deductions for tax purposes (including Form 941)

Disposition: Temporary Record. Retain 3 years after end of year in which the records were created.

Records documenting employee hours worked, leave earned, and leave taken

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting sick leave donations

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting an employee's work history - generally maintained as a case file

Disposition: Temporary Record. Retain 6 years after separation of an employee from the agency.

Employee Flexible Benefits Plan Files (applications and correspondence)

Disposition: Temporary Record. Retain 6 years after termination of participation in program.

Records documenting the State Employee Injury Compensation Trust Fund (SEICTF) Claims

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

Managing Properties, Facilities, and Resources:

Semiannual Inventory Lists

Disposition: Retain in office (Code of Alabama 1975, Section 36-16-8[1]).

Agency Copies of Transfer of State Property Forms (SD-1)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Property Inventory Cards and/or Computer Files

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Receipts of Responsibility for Property

Disposition: Temporary Record. Retain until return of item to property manager.

Real Property Leasing/Renting Records

Disposition: Temporary Record. Retain 6 years after expiration of the lease.

Requirement and Recommendations for Implementing the Records Disposition Authority

Under the Code of Alabama 1975, Section 41-13-21, “no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission.” This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of the records of the Board of Heating and Air Conditioning Contractors (hereafter referred to as the agency) as stipulated in this document.

One condition of this authorization is that the agency submit an annual Records Disposition Authority (RDA) Implementation Report on agency records management activities, including documentation of records destruction, to the State Records Commission in October of each year. In addition, the agency should make every effort to establish and maintain a quality record-keeping program through the following activities:

- The agency should designate a records liaison, who is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the agency, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, and ensuring the regular implementation of the agency’s approved RDA.
- Permanent records in the agency’s custody should be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation.

- Destruction of temporary records, as authorized in this RDA, should occur agency--wide on a regular basis—for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA's provisions, no record should be destroyed that is necessary to comply with requirements of the state Sunset Act, audit requirements, or any legal notice or subpoena.
- The agency should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the agency chooses to maintain permanent records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records' permanent preservation and accessibility.

The staff of the State Records Commission or the Examiners of Public Accounts may examine the condition of the permanent records maintained in the custody of the agency and inspect records destruction documentation. Government Records Division archivists are available to instruct the agency staff in RDA implementation and otherwise assist the agency in implementing its records management program.

The State Records Commission adopted this records disposition authority on April 22, 2004.

Edwin C. Bridges, Chairman, by Tracey Berezansky
State Records Commission

Date

Receipt acknowledged

Kathy LeCrix, Executive Director
Board of Heating and Air Conditioning Contractors

Date